January 27, 2006

415 LEGISLATIVE BUILDING • PO BOX 40412 • OLYMPIA WA 98504-0412

E-MAIL: Parlette.Linda@leg.wa.gov • PHONE: (360) 786-7622 • FAX: (360) 786-1323

 $\textbf{Committees:} \ Labor, \ Commerce, \ Research \ \& \ Development, \ ranking \ Republican; \ Health \ \& \ Long-Term \ Care; \\$

Ways & Means; Rules

Hello from Olympia. We're completing the third week of the 59th Legislature's 60-day session this year. As was the case in the first two weeks of session, Week 3 was primarily devoted to committee hearings and meetings with constituents and others about various issues. This will be the norm for about one more week. After February 7, we will spend more time on the Senate floor voting on bills.

In my previous e-mail updates, I've talked about how rainy it has been in Olympia. In fact, it rained 35 straight days. Last Sunday was the first dry day since Dec. 18 at the National Weather Service's official measuring station at the airport south of Olympia. The rainy day streak broke Olympia's old record of 33 days set in 1953. Olympia had received 10.43 inches of rain through Sunday, almost double the normal 5.38 inches for the first 22 days of January. Earlier this week, we actually had a sunny, pleasant day here. The rain promptly returned.

Update on bills I've prime-sponsored this session

Here is the latest on the bills that I prime-sponsored this session:

Senate Bill 6130 requires the Public Employees Benefits Board to make health savings accounts an option for public employees. It is in the Senate Ways and Means Committee.

Senate Bill 6230 extends the state sales and use tax credit for certain public facilities districts (PFDs). This measure is designed to help the proposed regional events center associated with the Wenatchee downtown waterfront project. The measure is in the Ways and Means Committee.

Senate Bill 6333 requires voters to provide photo identification when they vote at the polls. It is in the Senate Government Operations and Elections Committee. Valid photo ID would include a valid driver's license, a valid state identification card, a valid U.S. passport or a valid tribal identification card.

Senate Bill 6734 freezes our minimum wage at \$7.63 per hour and also requires the Washington State Institute of Public Policy to do an extensive study on how it affects the state economy. Sen. Jim Hargrove's bill (SB 5551) will be the vehicle for discussion on this issue. That measure sits in the Senate Rules Committee.

Senate Bill 6625 establishes a habitat and recreational lands coordinating committee to advise the Interagency Committee for Outdoor Recreation and other state agencies on land acquisitions. This bill is in the Senate Natural Resources, Ocean and Recreation Committee.

Senate Bill 6724 expands the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plan 2 so that a death benefit is available when a Plan 2 member dies as a result of illness while employed. Under the measure, the amount of the death benefit for Plan 2 members would be adjusted annually for inflation, beginning July 1, 2006. The bill is in the Senate Ways and Means Committee.

Senate Bill 6760 is a constituent-requested measure that prohibits mosquito control districts from issuing fees or a tax on cities, churches, and other entities that are exempt from the property tax. The state Attorney General's Office in 2003 issued an opinion that said mosquito control assessments are not taxes and can be im-

posed on cities, churches and other entities that are exempt from the property tax. This measure is in the Senate Government Operations and Elections Committee.

Senate Bill 6763 makes it state policy to recognize hydroelectric power as a renewable energy resource and to encourage its use. This proposal is in the Senate Water, Energy and Environment Committee.

Budget Tidbits...just the facts

Sen. Joe Zarelli, the ranking Republican member of the budget-writing Ways and Means Committee, each week publishes *Budget Tidbits...just the facts* on the Senate Republican Web site. This week's edition deals with the state's pension situation and is called "*Gain-Sharing: It is NOT a plan to split the carries of Shaun Alexander.*" To find this year's editions of Budget Tidbits, go to http://www1.leg.wa.gov/Senate/SRC, then click on SRC Media Center and scroll down.

Three finalists for state quarter unveiled. Which one do you like best?

Last week, the Washington State Quarter Advisory Commission (SQAC) and the U.S. Mint released three final designs of a Washington commemorative quarter to the public. In December, the 22-member commission, whose honorary chairman is Gov. Gregoire's husband, Mike, met and reviewed design drafts to narrow the field, ultimately selecting designs from three of the five narratives: 1) a salmon, Mount Rainier and an apple with an outline of Washington state; 2) a salmon breaching the water with Mount Rainier as a backdrop; and 3) a Northwest Native American stylized orca. The three designs are under review in Washington, D.C. The three final designs are available for viewing on the state quarter Web site (www.governor.wa.gov/quarter). SQAC this spring will present the final designs on this Web site and will invite Washington citizens to participate in a public opinion poll to assist the commission in making its final recommendation to Gov. Gregoire.

I'd love to hear which state quarter design you like best. If you haven't already done it, please take a look at the designs and let me know which one you like best. You can use e-mail to tell me which quarter design you like best among the three listed above. (I think I know which one most of you will choose!)

The new state quarter is part of a 10-year program started by Congress in 1999. Five coins are unveiled each year in the order of states' admittance to the Union. The back side of each quarter honors that state. The U.S. Mint will release Washington's quarter in 2007.

Beer/wine bills heard in committee

On December 21, 2005, in the matter of *Costco Wholesale Corp. v. Roger Hoen, et al.*, federal district court judge Marsha Pechman ruled that Washington's statute permitting in-state wineries and breweries to distribute their own products to in-state retailers while not allowing out-of-state wineries and breweries to do the same was unconstitutional as a violation of the Commerce Clause of the United States Constitution. Judge Pechman stayed her order until April 14, 2006, to allow the Legislature to take action.

The Senate Labor, Commerce and Research and Development Committee yesterday held public hearings on two measures dealing with this issue, **Senate Bill 6799** and **Senate Bill 6823**. Below is a rundown on these proposals, as well as a third measure, **Senate Bill 6850**, dealing with this issue:

SB 6799, proposed by Costco, allows out-of-state wineries and breweries to ship their products *directly* to licensed in-state retailers. Out-of-state producers may use a common carrier to deliver their products to Washington retailers.

SB 6823, proposed by the state Liquor Control Board, allows in-state wineries and out-of-state wineries to distribute up to 5,000 cases of their wine annually to in-state retailers. In-state and out-of-state breweries may distribute up to 2,500 barrels of beer annually to in-state retailers. In-state and out-of-state wineries and breweries may use common carriers when self-distributing their products. Prices filed by in-state and out-of-state producers must be uniform to all distributors and retailers. A licensed retailer with multiple stores in Washington may accept delivery of a wine or beer shipment from an out-of-state producer at the retailer's warehouse.

SB 6850, proposed by distributors and wholesalers, allows in-state and out-of-state wineries that produce less than 5,000 cases of wine annually to distribute their products directly to in-state retailers. Under this proposal, a winery that produces more than 5,000 cases annually may distribute its products directly to in-state retailers as long as it does so from a facility located within the state that is physically separate from its production facilities. In-state and out-of-state breweries that produce less than 2,500 barrels of beer annually may distribute their beer directly to in-state retailers. A brewery that produces more than 2,500 barrels annually may distribute its products directly to in-state retailers as long as it does so from a facility located within the state that is physically separate from its production facilities. In-state and out-of-state wineries and breweries may use common carriers when self-distributing their products. Prices filed by in-state and out-of-state producers must be uniform to all distributors and retailers.

Livestock identification system bill approved by Senate Ag committee

The U.S. Dept. of Agriculture is developing a national system to identify livestock exposed to a domestic or foreign disease, such as mad cow disease, within 48 hours. Each state has specific responsibilities within the system. The cattle industry has the earliest deadlines, with full implementation for other animals by 2009. Senate Bill 6375 directs the state Dept. of Agriculture to convene an advisory committee of cattle industry representatives to evaluate the requirements of the federal program, examine what other states are doing, and evaluate demonstration projects at two or more facilities that handle a large number of animals. (SB 6375 was given a "Do Pass" recommendation by the Senate Agriculture and Rural Economic Development Committee and is awaiting full Senate action.)

Key economic development bill passes Senate

Senate Bill 5329 refocuses the state's economic develop strategy on industry clusters, businesses that complement and compete, resulting in significant boosts to the economy. Examples elsewhere include Hollywood's film industry, California's Silicon Valley and Hartford, Connecticut's insurance and finance markets. The measure directs the state Department of Community, Trade and Economic Development to work with industry to develop strategies which help Washington develop groups of businesses that provide good-paying jobs and drive wealth creation in a region, primarily though faster innovation and exportation of products. (SB 5329 is now before the House Economic Development, Agriculture and Trade Committee.)

Moving the state's primary election to August

Arriving to mixed reviews, **Senate Bill 6236** would move the state's primary election to the third Tuesday in August and candidate filing to the first week in June. Proponents say counties need more time to get primary results in and general election absentee ballots out, especially to soldiers stationed overseas. Opponents fear a longer campaign season and having to vote during summer vacation time will have a cooling effect on voter turnout. (SB 6236 was approved by the Senate Government Operations and Elections Committee and is on the Senate calendar for a vote.)

Bill provides more opportunities for cost-savings and expedited completion of transportation projects

"Design-build" construction allows a single entity to design and construct a transportation project. Under this method, costs can be reduced and projects can be completed sooner. The Legislature authorized the Washington State Department of Transportation (WSDOT) to enter into design-build contracts for projects costing over \$10 million. This authorization expires on April 30, 2008. WSDOT is currently using design-build on three large projects and plans to use this process on other upcoming projects.

Senate Bill 6525 removes the expiration date so that design-build contracts can continue as appropriate and also authorizes up to five pilot design-build projects costing between \$2 and \$10 million. (SB 6525 was passed by the Senate Transportation Committee and is awaiting full Senate action.)

Proposal would stop huge jumps in property valuations, huge leaps in property taxes

A constitutional amendment has been proposed that caps assessed valuation of property to 1 percent of the prior year's assessed value. The exceptions would be when a change in ownership occurs or when new construction, like a remodel, takes place. The amendment also requires that assessed valuations reflect substantial damage, destruction or other occurrences that cause a decline in a property's real value. Capping property tax assessments would provide predictability and stability in property assessments and keep property tax bills from skyrocketing. A constitutional amendment requires a two-thirds vote of the House and Senate to appear on the next general election ballot. It takes a simple majority vote of the people to pass. (Senate Joint Resolution 8219 is before the Senate Ways and Means Committee; House Joint Resolution 4214 was given a public hearing on January 24 in the House Finance Committee.)

As always, I appreciate hearing your comments on my weekly e-mail update and the issues before the Legislature. Keep those ideas, comments and questions coming. This continuing dialogue helps me do a better job of representing you in Olympia. Have a great weekend!

Sincerely,

Linda

LINDA EVANS PARLETTE
Washington State Senator, 12th District
(360) 786-7622 E-mail: Parlette.Linda@leg.wa.gov